

## **REMARKS**

### **Summary of the Office Action**

Claims 1-11 are pending in the application.

Claims 1-11 stand rejected under 35 U.S.C. § 103(a) as being anticipated by U.S. Patent 6,473,740 to Cockrill et al. ("Cockrill") in view of U.S. Patent Application Publication No. 2003/0097331 to Cohen ("Cohen").

### **Summary of Response**

Applicants have amended claims 1, 2, 4, 6, and 8 to more particularly point out and distinctly claim inventive subject matter. The rejections of claims 1-11 under 35 U.S.C. § 103(a) are respectfully traversed.

### **Response to Rejections Under 35 U.S.C. § 102(e)**

Claims 1-11 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Cockrill in view of Cohen. Applicants respectfully traverse this grounds of rejection because the cited combination fails to disclose, teach, or otherwise suggest all elements of the subject claims.

Cockrill teaches a transaction network in which a registered customer may make purchases from vendors that are also registered with the transaction network. Each purchase transaction results in the creation of a transaction record associated with the user. Periodically, the transaction network aggregates the purchase transactions and requests payment, preferably through a payment processor charging the customer's credit card. Thus, Cockrill teaches a post-pay system, i.e., a system in which the customer is billed at some time after the transaction. By aggregating multiple purchases and then obtaining payment from the customer, the Cockrill amortizes the overhead cost of collecting payment from the customer, e.g., credit card processing fees, over several transactions, thereby lowering the per-transaction cost. See, column 12, line 53 to column 14, line 25. In essence, the Cockrill systems extends credit to registered customers to make purchases with the expectation that the customers will pay when requested.

In contrast, claim 1 requires that the primary account and sub-account have a prepaid value. Thus, claim 1 is directed to a pre-pay system, not a post-pay system as taught by Cockrill. Moreover, claim 1 requires that the pre-paid value be in the form of electronic tokens. In contrast, Cockrill teaches that payments are made in the form of currency, e.g., \$2.50. *See*, column 13, line 20; and Fig. 18. It is respectfully submitted that Cohen also fails to disclose, teach, or otherwise suggest these aspects of claim 1. Thus, claim 1 distinguishes the combination of Cockrill in view of Cohen.

At page 3 of the Office action, it is suggested that one of ordinary skill in the art would be motivated to combine Cockrill and Cohen “because such an incorporation would allow Cockrill to have a low overhead banking model to engage in a wide variety of commercial and electronic transactions.” It is respectfully submitted, however, that Cockrill already teaches a method of lowering overhead by amortizing payment collection costs over a number of purchasing transactions. Moreover, providing a capability to provide multiple sub-accounts and sub-sub accounts, each potentially having distinct attributes such as authorized users, merchants, or spending limits would necessarily complicate the underlying financial system. This would likely increase, not decrease, the overhead costs associated with development and maintenance of the financial system taught by Cockrill. Accordingly, it is submitted that the skilled artisan would not be motivated to make the combination as suggested in the Office Action.

Claims 2-11 depend, either directly or indirectly, from claim 1. Accordingly, claims 2-11 distinguish the combination of Cockrill and Cohen for at least the same reasons as provided above in respect of claim 1.

Claim 4 provides that spending limits may be associated with a sub-account on a plurality of time intervals, including spending limits on a “per transaction, per day, per week, and per month” basis. It is respectfully submitted, that this feature of claim 4 is not disclosed, taught, or otherwise suggested in the cited references.

Claim 8 recites that a sub-account can be configured so that when the balance of a subaccount is insufficient to complete a transaction value in the form of tokens is transferred from the main account so that “the balance of the sub-account is automatically brought up to

a predetermined amount associated with the sub-account”. For example, a sub-account can be configured so that if there are insufficient funds, the sub-account is automatically “topped-off” to a predetermined balance by a transfer from the main account. It is respectfully submitted that this feature of claim 8 is not disclosed, taught, or suggested by the cited art.

Claim 9 recites that the “service provider computer is programmed to send a notification to the user of the primary account on a periodic basis, wherein the notification lists all transactions of the sub-accounts”. It is alleged in the Office Action that this feature is taught at Cohen, paragraph [0217]. It is respectfully submitted, however, that the cited paragraph merely discloses that a single “credit card” can be used to represent multiple credit card accounts, such as Visa, MasterCard, and the like. Credit issuers such as Visa and MasterCard would not likely cooperate to provide a single statement to the end user, for the simple reason that they are competitors. It is respectfully submitted, therefore, that the cited paragraph does not disclose that the server computer sends a notification listing all transaction of the subaccounts. Similarly, it is respectfully submitted that Cohen does not disclose or teach that a notification is sent when certain types of transactions are made in one of the sub-accounts. Accordingly, the combination of Cockrill and Cohen is distinguished by claims 9 and 10.

Claim 11 requires that the notification include a link that can be activated to lock the subaccount. For example, the notification may be in the form of an e-mail containing an http link, wherein clicking on the link causes the sub-account to be locked or takes the user to a web page at which the sub-account can be locked. It is respectfully submitted that this feature of claim 11 is not disclosed, suggested, or taught by any of the cited references. Accordingly, claim 11 distinguishes the prior art.

Therefore, it is respectfully requested that the rejections of claims 1-11 as being unpatentable over Cockrill in view of Cohen under 35 U.S.C. § 103(a) be reconsidered and withdrawn.

Conclusion

In view of the foregoing amendments and remarks, applicants submit that the application is in condition for allowance.

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Respectfully submitted,

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